



State of New Jersey

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DIVISION OF PENSIONS AND BENEFITS

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September 2021

TO: Certifying Officers
FROM: New Jersey Division of Pensions & Benefits (NJDPB)
SUBJECT: Pension Contributions for IBEW and AFSCME Employees

This letter provides guidance to employers regarding the collection of pension contributions for negotiated deferrals of across-the-board wage increases. As per collective negotiations agreements (CNAs), pension contributions by employees that were subject to a deferral of across-the-board wage increases will continue at the contribution rate the employee would have paid if the across-the-board increases were not deferred. This is being done so that employees will not suffer any diminution in their pension benefits as a result of the deferred across-the-board increases.

After ratification of their respective CNAs, IBEW Local Union 30, IBEW Local Union 33, and AFSCME unit members began contributing toward their pensions at a rate that reflected the deferred across-the-board increases. Employees will receive full salary and service credit for any period the employee's annual base salary was subject to a deferral of across-the-board wage increase while pension contributions were below the expected amount contemplated in their CNAs. For most employees this will impact the period between July 1, 2020 and the time employees began contributing towards their pension benefits as if the deferral had not happened. The outstanding deferral periods for each union are listed below.

Deferral/Billing Period by Union

- **IBEW Local 30**, State Government Managers: Pay Period #15, 2020, through the end of Pay Period #13 2021.
- **IBEW Local 33**, Deputy Attorneys General: Pay Period #15, 2020, through the end of Pay Period #6, 2021.
- **AFSCME**: Pay Period #15, 2020, through the end of Pay Period #13, 2021.

The NJDPB will calculate the pension shortage, process a back-deduction schedule, and will ensure employee pension accounts are credited with the appropriate salary credit. A *Certification of Back-Deductions* with the deduction amount and payment schedule will be shared with employers and each employee. The schedule will indicate whether deductions may have to be processed across multiple pay periods. In addition, Centralized Payroll will be notified of the contributory insurance premium shortage due for employees that have this benefit. Centralized Payroll will process the back-deductions over several upcoming weeks until deductions for all impacted employees have been paid.

If you have questions regarding the information provided in this letter, you may contact the NJDPB, Office of Client Services at (609) 292-7524.